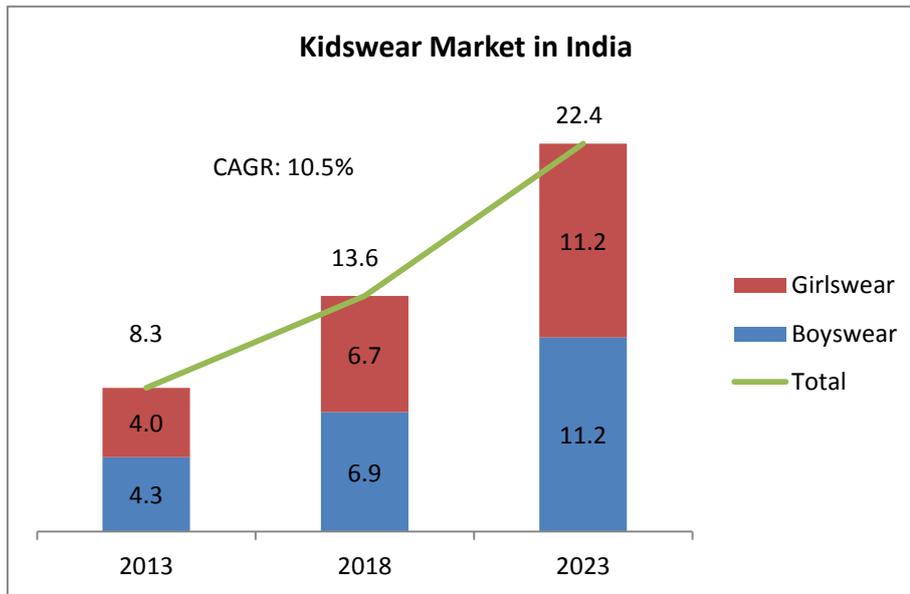


## Kidswear Market in India

### Market Size and Growth

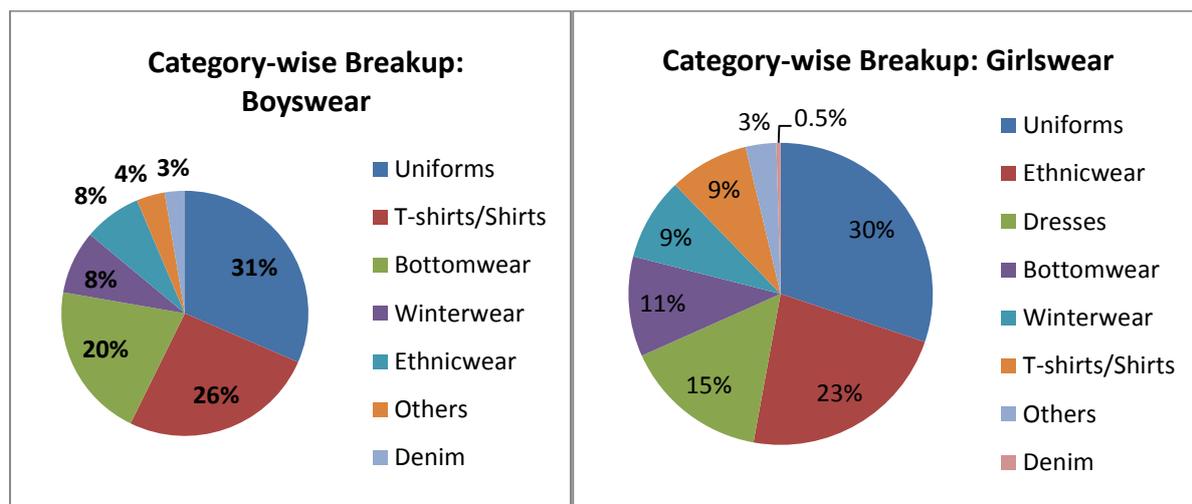
India remains one of the most promising markets for apparel due to the ever burgeoning economic activities and ever widening consumer base. The Indian apparel market is expected to grow at a CAGR of 9%, from USD 41 billion in 2013 to USD 102 billion in 2023. In 2013, kidswear, at USD 8.3 billion, alone contributed 20% of India's apparel market, but given its higher growth rate, this share is expected to increase to 22% by 2023.



Source: Technopak Analysis

### Boyswear and Girlswear

The kidswear market is somewhat skewed towards boyswear which by itself is a USD 4.3 billion market, as compared to the USD 4.0 billion-worth girlswear market. But with the increase in spending on the girl child, the girlswear market is expected to catch up with the boyswear market in the near future. It is expected that the girlswear market will grow at a CAGR of 11% over the next decade, while the boyswear market will grow at 10%.



Source: Technopak Analysis

Uniforms and T-shirts/Shirts are the two major categories within the boyswear market. Together, they contribute 57% of the total market. However, Denims and T-shirts are the high growth categories within this segment and are expected to register CAGRs of 15% and 11%, respectively, over the next decade.

On the other hand, Uniforms and Ethnicwear are the two largest categories within the girls'wear market. But westernwear categories like Denims and T-shirts are growing faster than traditional categories in the girls'wear market as well.

### **Growth Drivers of Kidswear Market**

Some distinct factors like changes in the family system, increased spending on children, growing brand awareness among kids, and greater focus on the kidswear market by organized players have contributed significantly to the growth of the kidswear market.

Urban India today is characterized by a nuclear family with double income parents who are willing to spend extra higher share of their wallets on their children. Consequently the spending on children's apparel, with better brand image and quality has received a boost. At the same time, Indian kids in both urban and semi-urban India are increasingly exposed to various media and are thus aware about brands which cater to them. They have also started participating actively in purchase decisions relating to their apparel.

Organized retailers and brands have also contributed immensely to the growth of the kidswear market. Some of them have invested time and money in establishing brands which target the requirements of children as well as parents. They have managed to attract consumers through the right product assortment, better visual merchandising, and focused advertising and promotional strategies.

### **Characteristics of the Market**

Although the branded kidswear segment has recorded higher growth in recent years, it still remains a largely unbranded market, with products sold mostly through unorganized retail channels. The low average lifespan of children's apparel, a result of the growing height of children, has forced many value-conscious parents to hold back on spending on children's apparel, especially in the medium, economy and low-end of the market.

However, market dynamics vary drastically in the premium and super-premium categories. Brands are a very important decision-making criterion for parents and children in these segments. In fact, some of the designers and retailers have even begun catering to the demand for children's bespoke apparel.

### **Key Trends**

Most of the organized players in the kidswear market initially focused only on westernwear categories like denim, shirts, T-shirts, etc. However, brands and organized players have now started foraying into children's ethnicwear categories and are offering ethnically styled products for kids.

Brands and retailer previously catering only to adults have extended their product lines to include children and are attempting to transform themselves as a complete family shopping destination. In this respect, even international brands have begun offering children's apparel.

Some Indian manufacturers who had previously been focusing solely on the export market have started reorienting themselves to meet the growing demand within the country. Consequently they have come up with their own brands and independent retail operations.

The school uniforms market is demonstrating healthy growth with a rise in the number of schools and a decline in drop-out rates. In high-end schools, the increasing competition and the desire to look smart has amplified brand consciousness among students. Further, many schools see uniforms as an extension of their overall image and ensure that the uniform reflects the image associated with the school. The market now sees different school uniforms depending on the season, occasion, class, etc.

Online retailing has managed to penetrate into the kidswear segment as well. Alongside the rapid acceleration of Internet penetration, India's consumers have several incentives to select online retailing as their preferred channel for fashion purchases, both for themselves as well as their children. Online fashion stores offer the unmatched ease of shopping using user-friendly interfaces, wider product assortments, shorter delivery cycles and lucrative options like cash-on-delivery in order to attract consumers to their portals. In addition to kidswear-specific online shopping stores, several kidswear brands also offer online shopping facilities. Even fashion-focused online retailers have dedicated a substantial share of their websites to the kidswear segment.

## **Conclusion**

Despite the interesting growth story of the kidswear segment, a lot remains to be achieved in this market. The opportunities within the kidswear market are definitely lucrative, but tapping these requires well-formulated strategies and high levels of commitment. Brands and retailers also have to ensure better penetration beyond urban pockets and cater to the price-sensitive children's segments in semi-urban and rural India. Some of the kidswear brands have struggled in terms of planning store expansions with adequate prudence and analysis and thus have been forced into rolling back plans or have got entangled in high debt traps and unwarranted business litigations. New entrants could shorten their own learning curve by learning from the challenges and roadblocks faced by the early entrants as well as existing players. The ability of brands and retailers to address the specific requirements of children as well as their parents and to offer fashion solutions rather than mere products will be critical for their success.

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